

MINUTE ITEM

7/12/66

29. QUITCLAIM OF COMPENSATORY AGREEMENT P.R.C. 2892.1, GRIZZLY ISLAND WATERFOWL MANAGEMENT AREA, SOLANO COUNTY; EDWARD T. PERRY AND R. E. RAPP - W.O. 5095.

After consideration of Calendar Item 29 attached, and upon motion duly made and carried, the following resolution was adopted:

THE EXECUTIVE OFFICER IS AUTHORIZED TO ACCEPT A QUITCLAIM AND TO TERMINATE COMPENSATORY AGREEMENT P.R.C. 2892.1, EFFECTIVE APRIL 18, 1965, IN ACCORDANCE WITH SECTION 7 OF THE AGREEMENT, AS REQUESTED BY THE LESSEES, EDWARD T. PERRY AND R. E. RAPP.

Attachment

Calendar Item 29 (1 page)

29.

QUITCLAIM OF COMPENSATORY AGREEMENT P.R.C. 2892.1, GRIZZLY ISLAND WATERFOWL MANAGEMENT AREA, SOLANO COUNTY; EDWARD T. PERRY AND R. E. RAPP - W.O. 5095.

On May 24, 1962, Compensatory Agreement P.R.C. 2892.1, covering approximately 2,589 acres of State land included in the Grizzly Island Waterfowl Management Area, was issued to Edward T. Perry and R. E. Rapp. The mineral interests in the property are held 50% by the State and 50% by the State's cotenants. The Compensatory Agreement was to run coextensively with leases or lease extensions representing the mineral interests of the State's cotenants. The primary term of these leases expired on October 11, 1964. The lessees paid to the State a cash bonus of \$1.50 per acre for entering into the agreement and an annual rental of \$1.50 per acre for the period May 24, 1963, to May 23, 1964.

An exploratory well was drilled to a depth of 6,545 feet without encountering oil and gas in paying quantities, and was abandoned January 23, 1964.

The lessees have complied with all terms and conditions of the agreement.

Section 7 provides that the lessee may be relieved of performance under the agreement should it surrender or terminate all of its leases subject hereto, in which event the agreement, as to lessee and all rights and obligations of lessee thereunder, shall thereupon cease and terminate.

The lessees have submitted a quitclaim deed dated May 18, 1965, to surrender and terminate the lease, pursuant to the provisions of Section 7 thereof.

IT IS RECOMMENDED THAT THE COMMISSION AUTHORIZE THE EXECUTIVE OFFICER TO ACCEPT A QUITCLAIM AND TO TERMINATE COMPENSATORY AGREEMENT P.R.C. 2892.1, EFFECTIVE APRIL 18, 1965, IN ACCORDANCE WITH SECTION 7 OF THE AGREEMENT, AS REQUESTED BY THE LESSEES, EDWARD T. PERRY AND R. E. RAPP.